

FISCAL NOTE

SB 523 - HB 1295

March 7, 1997

SUMMARY OF BILL: Removes *trailers used to transport livestock* from the definition of farm equipment and machinery for sales tax exemption purposes. Also sets the effective date at July 1, 1989 for the sales tax exemption currently in the law for *systems for poultry environment control, feeding and watering poultry and conveying eggs, the retail price of which exceeds \$250.*

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Less Than \$100,000

Increase Local Govt. Revenues - Less Than \$40,000

Other Fiscal Impact - Forgo State Revenues - \$97,000 One-Time

Assumes forgone state revenue based on an audit assessment for \$97,000 (\$57,000 taxes due and \$40,000 in penalty and interest) that is currently pending would be invalid and not collected if *systems for poultry environment control* are exempted from the sales tax retroactively to 1989.

Also assumes that there would be an increase in state and local government sales tax revenue, since *trailers used to transport livestock* would be subject to the sales tax and are currently exempt.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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